

# **EXHIBIT 21**



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The strength of York  
Experience, Leadership, and  
Integrity

9/2/09

Joanne F. Massey  
ACE Westchester Specialty  
Group  
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**Report Number:**  
**York File Number:**  
**Policy Number:**

**Policy Term:**  
**Claim Number:**  
**Name and Address of Insured:**

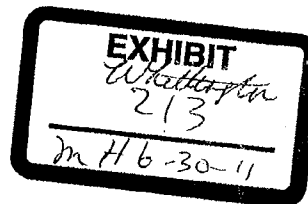
**Location of Loss:**  
**Date of Loss:**  
**Type of Loss:**

One  
SLA-1428  
D37362220-001-Ace Westchester  
MAX2XP0004029-Max Specialty  
Excess Property  
01/30/2009 TO 01/30/2010  
JY09J0336171  
Signal International, LLC  
P.O. Box 7007 Pascagoula, MS  
39568  
Port Arthur, TX  
08/20/2009  
Sunken dry dock, cause  
unknown

**REPLY REQUESTED**

1. Please provide authority to appoint accountant Bill Minadeo with Meaden & Moore, Bill worked with me on the Signal Katrina and Rita losses and knows their business, accounting personnel and their accounting systems so there will be know learning curve?
2. Please provide Authority to appoint Callan Salvage to dispose of the fork lift and other equipment?

A Member of York Insurance Services Group, Inc.



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**ESTIMATE:**

Port Arthur Dry Dock	\$ 13,600,000.00
Debris Removal	5,000,000.00
Surveyors & Divers	175,000.00
Contents	100,000.00
Claim Prep	100,000.00
Estimated Total	18,975,000.00
Less Estimated Salvage	(1,600,000.00)
Gross Loss	17,375,000.00
Less Deductible (2% of \$13,600,000)	(272,000.00)
Net Estimate	\$ 17,103,000.00
Rented Equipment	\$ 140,000.00
Deductible	(25,000.00)
Net	\$ 115,000.00
Net Total Property Damage Estimate	<u>\$ 17,218,000.00</u>

**BUSINESS INTERRUPTION:**

At this early date we have no data but there is a substantial exposure with a potential interruption period of 2 years. Verbally the Signal CFO has indicated that this location produced average revenue over the last 6 years of 25 million with an estimated margin in the range of 3.5 million for a total BI exposure of 7 million if the time period were 2 years.

This would result in a total loss estimate of \$24,218,000 at this early stage.

**ABSTRACT COVERAGE:**

Your policy provides all risk coverage except as excluded within the policy. The property involved in this loss is scheduled as the Port Arthur Dock Yard Dry Dock AFEB-5 scheduled at \$13,600.00. Also involved is debris removal, insured's equipment on the dry dock as well as coverage for rented equipment, claim prep, extra expense and Business Interruption (actual loss sustained).

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The involved deductible on the dry dock is 2% of the scheduled value with a minimum of \$250,000. There is an additional \$25,000 deductible applicable to rented equipment with values excess \$100,000. Debris removal is limited to 25% of the loss to the dry dock or \$5 million which ever is greater

**DATE OF LOSS:**

August 20, 2009

**CAUSE OF LOSS:**

On August 20, 2009 all the Signal employees had left the Dock Yard site at approximately 6 PM and those that remained were the 2 dock watch and a security guard. The dock watch had completed their dry dock check and left to go up to the office about 8 PM. They returned 45 min later and found the dock was going down with water already lapping over the deck at the northwest corner of E pontoon. They ran, climbed the wing wall and went to the control room in an effort to turn on pumps but they had already shorted out with water in the machinery space. It was a cascade from that point, once the water got on the deck it filled the rest of the pontoons through open man holes. The dock watch then ran from the dock.

Based on review of the divers report just received at this point they have been unable to identify a cause of loss. Due to the severe visibility limitation further causation evaluation cannot be further developed until the dry dock is removed piece by piece.

**LOSS LOCATIONS:**

Signal International Dock Yard located in Port Arthur, Texas.

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**RISK:**

Signal International, L.L.C. is the leading Gulf of Mexico provider of marine and fabrication services. The six Signal facilities located on the Gulf provide easy access to offshore rigs and platforms. There are four yards in Texas and two in Mississippi. The main offices are located at the East Yard in Pascagoula, Mississippi. The majority owner of Signal is the State of Alabama Teacher Retirement Fund.

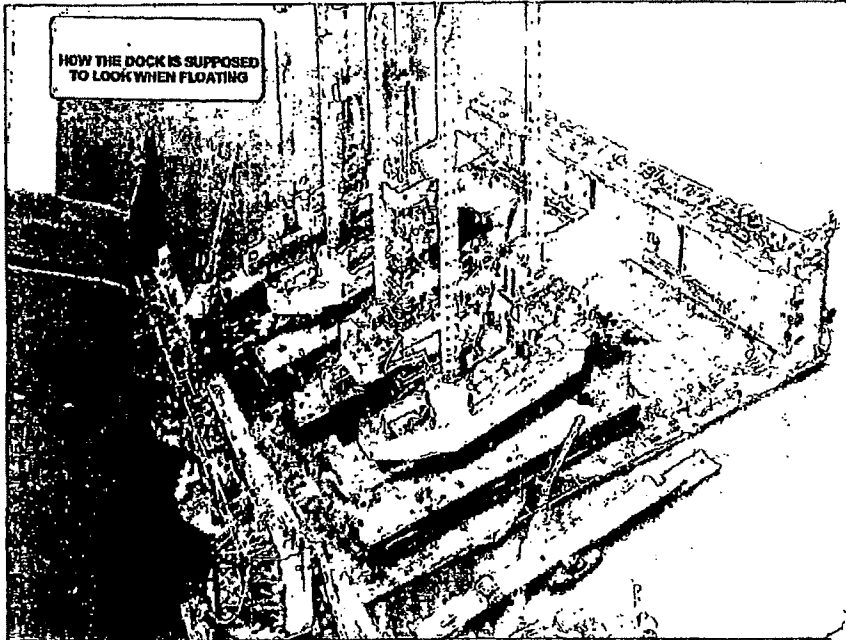
The yard involved in this loss is the Texas division Dock Yard located at 2500 MLK Boulevard, Port Arthur, TX.

The primary item involved in this loss is the insured's floating dry dock which consists of two wing walls and five pontoons with a total dimension of 482 x 413 x 20 with a total weight of 32,000 long tons(71,680,000 lbs). This dry dock was originally constructed in 1942 and was delivered to US Navy on July 15, 1944. The dock was moved to be stationed at Port Arthur through a government transfer in 1984 from Hawaii. At that point it was operated by Bethlehem steel, it was then transferred to Texas Dry Dock in 1995 and to Signal in 2002. The estimated replacement cost of a new dry dock is be 50-60 million, with a construction time of at least 2 years. A search for any used docks in the US is being conducted. All income for this location is derived from the use of the dry dock. The only other dry docks (2) in the Signal operation are located in Pascagoula, Ms. All maintenance performed on this dry dock is done by Signal employees.

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**CO-INSURANCE:**

None.

**SUBROGATION**

Will be reviewed.

**SALVAGE:**

Although this is still developing we have calculated an estimated value of the steel at 1.6 million as shown in the estimate. This is purely an educated guess. We will work with Dufour to develop bid specifications to be put out to the marine salvage industry.

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There will be salvage value for the Fork Lift and any other of the Signal equipment found. We request your authority to appoint Callan Salvage for disposal?

**CONSULTANTS:**

Dufour, Laskay & Strouse, Inc.  
3939 N. Causeway Blvd, Ste 300  
Metairie, La. 70002.

They were initially appointed by the insured but they are a well respected company in this industry.

The Dive Company used for inspection was Resolve Marine Group, corporate office at 1850 SE 17<sup>th</sup> S Street, #204, Ft. Lauderdale, Florida 33316.

**OTHER INSURANCE:**

Fireman's Fund writes the GL Policy. We have received a copy of that policy for review. There is also a Pollution policy written by Great American, we have just received that policy for review also.

**ADJUSTMENT:**

**What Has Been Done**

Notification of this incident was received from the Willis Broker on August 21, 2009 and immediate contact was made with the insured. Inspection was conducted on Saturday morning August 22, 2009. Dufour was also on site along with the liability adjuster for Signal. After the initial inspection, diver bids were obtained and the contract let with Resolve Marine. Dive activity began on Wed August 26<sup>th</sup>. We attach a copy of the two diver cost proposals.

Since that time follow up inspections have been conducted, removal of rented equipment observed and daily diver reports monitored. We will note that the divers had extreme difficulty in their survey and equipment removal due to the

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near zero visibility in the water. The underwater survey has now been completed and below are the damages found at this time. (Per the attached Resolve Report)

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**Pontoon A:**

- Small tear (less than 12 inches) on pontoon deck outboard of wing wall in way of Diagonal brace to vertical rail guide
- Could not access between Pontoons A and B due to vent piping. Gap as per original – no apparent damage.
  - No other damage noted

**Pontoon B:**

- Significant damage to pontoon deck outboard of wing wall due to collapse rail structure causing numerous tears and punch-throughs in way of vertical support columns
- Multiple tears, cracks and holes in way of strongback connection between Pontoons A and B. All damage sustained on Pontoon B side including a 6 ft tear, and 8 ft tear, and other cracks and holes where the strongback began separating from Pontoon B.
- Tear in river side pin connection structure on B pontoon, but hull not breached
- Pontoon B appears separated from Pontoon C – gap of 8 ft and 4 feet of height difference at the inboard shoulder (C side higher)
- Unable to inspect between Pontoons B and C due to obstructions and mud which has pushed through the gap on onto the deck of Pontoon B

**Pontoon C**

- Significant damage to pontoon deck outboard of wing wall due to collapse rail structure causing numerous tears and punch-throughs in way of vertical support columns
- Damage noted between Pontoons C and D. Vent pipes broken and distorted. Support brackets tripped and pushed into hull causing crushing and breaches (at a distance of 120 ft from the wing wall).
- Gap of 5 ft between Pontoons C and D at the inboard shoulder, Pontoon D 4 ft higher
- Tear on the outboard side of the river side pin connection on Pontoon C (approx. 6 ft tear in the deck) where connection tried to separate from the deck
  - 12" x 18" hole in side shell at nose of pontoon in vicinity of shore side pin connection

**Pontoon D**

- Significant damage to pontoon deck outboard of wing wall due to collapse rail structure causing numerous tears and punch-throughs in way of vertical support columns
- Major damage to both pin connections and hull in way of pin connections where pin connections tore up from deck. Damage extends to the nose of the barge and down the front face. Approx. 20 ft wide section breached.
- Pontoon D 18" higher than Pontoon E at closest point
- Vent pipes broken off between Pontoon D and C

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- 2 ft tear noted at the deck edge on the river side, approximately 15-20 ft from the wing Wall

***Pontoon E***

- Major damage to both pin connections and hull in way of pin connections where pin connections tore up from deck. Damage extends to the nose of the barge and down the front face. Approx. 20 ft wide section breached.
- 49 ft to the mud line on the river side of Pontoon E
- No damage noted to river side of Pontoon E
- No other damage or distortion noted on Pontoon E. Appears connected per original to Pontoon F

***Pontoon F***

- Separated from Pontoon G by 20 ft
- Pin connections appear intact
- 1 ft x 2 ft tear in Pontoon F deck between F and G in way of wing wall separation
- Unable to inspect between pontoons E and F due to Pontoon H resting on blocks above the gap
  - No other damage noted

***Pontoon G***

- Limited damage noted on pontoon deck outboard of wing wall due to collapse rail structure causing tears in way of vertical support columns
- Pontoon G completely separated from Pontoon G wing wall. Unable to fully inspect beneath the separated wing wall for breaches into Pontoon G.
- 4 ft x 3 ft hole in deck of Pontoon G on shore side in way of broken wing wall connection
- Pin connections are structurally intact with minor distortion and tearing of connection structure – no breaches noted into pontoon deck in way of pin connection structure
- Unable to inspect side between F and G due to Pontoon H suspended overhead without Supports

***Pontoon H***

- Resting on docking blocks on pontoons E and F. No longer supported by blocks on Pontoon G.
- Shifted slightly inboard from original docking position per general comments above
- Did not conduct a detailed inspection of Pontoon H, which had been drydocked on the SITX dock for scrapping prior to the dock sinking

[illegible]

The insured also had some miscellaneous equipment on the dry dock which included a number of welding packages along with other miscellaneous electrical supplies and equipment which were being used for some modification work being conducted by Signal employees. We are developing all the details of work being performed, although we have determined no work was conducted in the

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area of pontoon E that went down first. None of this equipment has been found and the insured's dry dock personnel are preparing an inventory of those items. We do not anticipate this would exceed \$100,000 in value.

Also involved will be debris removal, this coverage is limited to 25% of the scheduled value of the dry dock or \$5,000,000 which ever is greater. This will be further determined in due course. It is projected this operation will take at least six months.

**What is to be done**

We have just received the divers report this date and it is undergoing a thorough evaluation by all. Based on our preliminary review we do anticipate this will be a salvage operation. A bid package will be prepared and submitted to interested bidders. A key part of this removal process will that it be done in a manner so as to examine and determine if possible the cause of this sinking. We will continue to work with the Surveyor on this process.

We will work with the insured on the rented equipment claim as well as other equipment on the dock.

We will also meet with the Signal CFO to began evaluation of the BI exposure but at this time no decision have been made as to what they will do going forward regarding the dry dock replacement and potential interruption period..

We await your advices regarding the use of Meaden & Moore and Callan Salvage?

We will keep you advise as developments occur and a formal report within 30 days.

Sincerely,

**York Insurance Services Group, Inc.**

**Kenneth M. Cruikshank**  
**Executive General Adjuster**

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**YORK**

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**KMC/mrm**

**ENCLOSURES**

- 1. Divers report**
- 2. Daily Diver Report**
- 3. General Land Office Dock Removal Demand Letter**
- 4. Rental equipment data**
- 5. Photographs**

**MSI 000322**

 **YORK**

## **ENCLOSURE ONE**

### **DIVERS REPORT**

**MSI 000323**



**Corporate Office**  
1850 SE 17<sup>th</sup> St., #204  
Ft. Lauderdale, FL 33316  
Tel: 954-764-8700 ♦ Fax: 954-764-8724

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**Dive Survey Report: Signal International Texas Drydock (SITX Drydock)**

**By: Todd Schauer, Resolve Towing and Salvage, Inc.**

**Report Date: September 1, 2009**

**Summary:**

Resolve Marine Services, Inc. performed a dive survey of the sunken SITX Drydock from August 26 – 30, 2009. The purpose of the survey was to document conditions found on the drydock after the recent uncontrolled flooding and sinking event. This document represents a report of survey and conditions found.

**Survey Particulars:**

The survey was conducted via a 4 man commercial dive team on surface supplied air with diver to topside communication. The survey was directed by Salvage Engineer Todd Schauer, who also recorded all survey findings.

Underwater visibility was poor, ranging from 0 to 6 inches, and occasionally 1 foot. Current was light and not a factor for the survey. Water depths varied from 36 to 44 feet to the top of the pontoon deck, and 50-55 ft along the exterior of the drydock to the mud line. The river bottom near the dry dock is soft mud.

The survey was conducted systematically from A pontoon through G pontoon inboard of the wing walls, followed by an external survey outboard of the wing walls.

**Conditions Found – General:**

The attached Signal drawing labeled "Diver Findings (General)" gives a good basic overview of the current condition of the drydock, including elevations, major damage noted, and the general condition of the drydock as it rests on the bottom. Significant conditions found include the following:

- Pontoon G was found separated from Pontoon G wing wall and also from Pontoon F. Pontoon G resting 5-7 feet lower than Pontoon F and has also shifted toward shore leaving a gap of 20 feet between F and G in the vicinity of the wing wall.
- Major damage was found on the pin connection ends of pontoons D and E, including major hull breaches in way of the pin connection structure

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MSI 000324



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Ft. Lauderdale, FL 33316

Tel: 954-764-8700 ♦ Fax: 954-764-8724

- Significant damage was found on the remainder of the pin connections from B to G and C to F. While these connections retain structural integrity, there are some limited hull breeches in the vicinity of the connection structure.
- The rail structure outboard of the wing walls was found collapsed in way of pontoons B, C, D, and G.
- The pontoon decks outboard of the wing walls in way of the collapsed rail structure were found to have significant damage at the locations of the connection points of vertical support columns for the rail structure (Pontoons B, C, D, and G)
- In general, there is damage along the sides of each pontoon where they were in contact with adjacent pontoons during the sinking event. Vent pipes and support structure between the pontoons are damaged and this support structure has also created various damages to the hull (small tears, stiffener punch-through, etc.)
- Divers were not able to survey in between the pontoons past 40 ft of depth due to obstructions and also due to mud pushing up between the pontoons to within 4 ft of the pontoon deck in nearly all locations.
- Pontoon B found partially separated from Pontoon B wing wall - the outboard side of the wing wall is completely separated from the pontoon (with a 2 ft gap), but the inboard side is the wing wall remains mostly connected
- Pontoon H found resting on docking blocks, but has shifted slightly away from the B wingwall. There is now a separation of 20 ft between Pontoon H and the B wing wall on the river side, and 12 feet separation on the shore side. Pontoon H being supported only by the docking blocks on Pontoons E and F since Pontoon G has settled.
- Pontoons B and C are separated apart (approx. 8 ft gap at the pontoon shoulders on the pin connection end)
- Pontoons C and D appear separated. Pontoon D is 4 feet higher and 5 feet away from Pontoon C at the pontoon shoulder on the pin connection end
- Divers surveyed the inside of Pontoon E machinery space and found no anomalies that might indicate a cause of flooding. Machinery space was relatively clean and free of mud and debris.
- Manhole covers that were located into machinery spaces were found to be open
- Decks of pontoons were mostly free of equipment and debris. A few ancillary equipment items were noted including electric welding machines, electrical panels, etc.
- Working with a Signal crane barge, Resolve divers rigged a 75 ton crane, forklift, and manlift which were then lifted out of the drydock and onto the crane barge
- No other sources of pollution were noted

**Conditions Found – Specific:**

(In addition to the general comments stated above)

**Pontoon A:**

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- Small tear (less than 12 inches) on pontoon deck outboard of wing wall in way of diagonal brace to vertical rail guide
- Could not access between Pontoons A and B due to vent piping. Gap as per original – no apparent damage.
- No other damage noted

**Pontoon B:**

- Significant damage to pontoon deck outboard of wing wall due to collapse rail structure causing numerous tears and punch-throughs in way of vertical support columns
- Multiple tears, cracks and holes in way of strongback connection between Pontoons A and B. All damage sustained on Pontoon B side including a 6 ft tear, and 8 ft tear, and other cracks and holes where the strongback began separating from Pontoon B.
- Tear in river side pin connection structure on B pontoon, but hull not breached
- Pontoon B appears separated from Pontoon C – gap of 8 ft and 4 feet of height difference at the inboard shoulder (C side higher)
- Unable to inspect between Pontoons B and C due to obstructions and mud which has pushed through the gap on onto the deck of Pontoon B

**Pontoon C**

- Significant damage to pontoon deck outboard of wing wall due to collapse rail structure causing numerous tears and punch-throughs in way of vertical support columns
- Damage noted between Pontoons C and D. Vent pipes broken and distorted. Support brackets tripped and pushed into hull causing crushing and breaches (at a distance of 120 ft from the wing wall).
- Gap of 5 ft between Pontoons C and D at the inboard shoulder, Pontoon D 4 ft higher
- Tear on the outboard side of the river side pin connection on Pontoon C (approx. 6 ft tear in the deck) where connection tried to separate from the deck
- 12" x 18" hole in side shell at nose of pontoon in vicinity of shore side pin connection

**Pontoon D**

- Significant damage to pontoon deck outboard of wing wall due to collapse rail structure causing numerous tears and punch-throughs in way of vertical support columns
- Major damage to both pin connections and hull in way of pin connections where pin connections tore up from deck. Damage extends to the nose of the barge and down the front face. Approx. 20 ft wide section breached.
- Pontoon D 18" higher than Pontoon E at closest point
- Vent pipes broken off between Pontoon D and C
- 2 ft tear noted at the deck edge on the river side, approximately 15-20 ft from the wing wall

**Pontoon E**

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- 
- Major damage to both pin connections and hull in way of pin connections where pin connections tore up from deck. Damage extends to the nose of the barge and down the front face. Approx. 20 ft wide section breached.
  - 49 ft to the mud line on the river side of Pontoon E
  - No damage noted to river side of Pontoon E
  - No other damage or distortion noted on Pontoon E. Appears connected per original to Pontoon F

**Pontoon F**

- Separated from Pontoon G by 20 ft
- Pin connections appear intact
- 1 ft x 2 ft tear in Pontoon F deck between F and G in way of wing wall separation
- Unable to inspect between Pontoons E and F due to Pontoon H resting on blocks above the gap
- No other damage noted

**Pontoon G**

- Limited damage noted on pontoon deck outboard of wing wall due to collapse rail structure causing tears in way of vertical support columns
- Pontoon G completely separated from Pontoon G wing wall. Unable to fully inspect beneath the separated wing wall for breaches into Pontoon G.
- 4 ft x 3 ft hole in deck of Pontoon G on shore side in way of broken wing wall connection
- Pin connections are structurally intact with minor distortion and tearing of connection structure – no breaches noted into pontoon deck in way of pin connection structure
- Unable to inspect side between F and G due to Pontoon H suspended overhead without supports

**Pontoon H**

- Resting on docking blocks on Pontoons E and F. No longer supported by blocks on Pontoon G.
- Shifted slightly inboard from original docking position per general comments above
- Did not conduct a detailed inspection of Pontoon H, which had been drydocked on the SITX dock for scrapping prior to the dock sinking

By:

Todd Schauer, P.E.

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MSI 000327

 **YORK**

## **ENCLOSURE TWO**

### **DAILY DIVER REPORT**

**MSI 000328**

**From:** Consavage, Paul [mailto:PConsavage@signalint.com]  
**Sent:** Saturday, August 29, 2009 1:56 PM  
**To:** Melschlaeger, Rodney  
**Cc:** Duhon, Barney; Cooper, Kyle; Killeen, Pat; Spears, Lisa; Cunningham, Chris; Schnoor, Ronald  
**Subject:** 04281 DDS... (DIVING ACTIVITIES & DAILY REPORT)... 8/26/09 - 8/29/09  
**Importance:** High

Reference drawings depicting damages to the Dry-Dock (as described by the divers) have been provided... (please see attachments)

- 04281-180-100-01 (Rev-0) Dry-Dock General Arrangement "Normal Condition"
- 04281-180-100-02 (Rev-0) Dry-Dock General Arrangement "Present Condition"

**Saturday 8/29/09:**

- Diving operations begin at 7:00 AM.
- Final adjustments are made to the box beam & gangways... handrails are installed on the box beam.
- Divers identify some limited deck damage on Pontoon "G" in way of the collapsed auxiliary crane rail structure.
- Pontoons "E" & "F" outboard of the wing walls look good... (no collapsed structure).
- On the A-Side, there is heavy damage to the deck ("punch-throughs") in way of the vertical support connections (at the pontoon main deck) for the auxiliary crane rail structure. Now collapsed for most of the width of Pontoons "B", "C" & "D".
- The Section "B" wing wall has separated from Pontoon "B" on the outboard side (approx 2' gap between)... (inboard side appears to be connected per earlier dives on that side of the wing walls).
- Divers went into the machinery space of Pontoon "E"... no excessive mud was found which would have indicated a "blow-out" in the compartment.
- Propane tank racks have yet to be located.
- Diving operations stop at 3:00 PM... (the initial survey has been completed, Resolve Marine will submit their written summary Wednesday 9/2/09).

**Friday 8/28/09:**

- Diving operations begin at 7:00 AM.
- Recovered equipment is off-loaded (from the Pelican) at the SITX North Yard.
- The Peppy is moved to the T-Pier for final off-rent preparations & inspections.
- Box beam & gangways are temporarily placed to allow access to the A-Side wing wall.
- The Pelican transports the ramps, emergency generator & fuel tank, 13'x24' work barge (previously used to support ramps) & the DB3 barge to the SITX Orange Yard.
- A very light "sheen" which appeared to be some sort of leak/spill was spotted on the water's surface (both inside & outside of the containment boom) and was immediately reported to Malon Scoggin (who came out to investigate). Malon made the required alerts to the Texas GLO & Coast Guard (who came out to inspect). CG representatives did not see it to be a threat... no further action is anticipated.
- Divers discovered major damage to the upper pin connection (and surrounding main deck area) at Pontoon "D" & Pontoon "E"... (catastrophic damage to both units with "D" being the worst). The main deck & end of "D" is crushed-in, and heavily breached... the end of "E" is also damaged and breached.
- Divers discovered damage to the upper pin connection (and surrounding main deck area) at Pontoon "C" & Pontoon "F"... (limited tearing at the corners & base plates).
- Divers discovered damage to the upper pin connection (and surrounding main deck area) at Pontoon "B" & Pontoon "G"... (limited tearing at the corners & base plates).

MSI 000329

- Divers discovered considerable damage to the "A/B" strong back... in particular on the "B" side.... (deck plate has peeled up in multiple places around the structure).
- Limited damage was discovered between all pontoons IWO vent pipes & related support brackets. Divers can only access approximately 4' down from the main deck in these areas due to mud... (pipes are broke off in numerous locations).
- Miscellaneous damage was identified in the "C/D/E/F" moon pool area where support structures pierced adjoining pontoons.
- The wing wall section has completely torn away from Pontoon "G" for the full width of 101'.
- After breaking loose from its wing wall, the nose of Pontoon "G" rotated counterclockwise away from Pontoon "F" by approximately 20'... and an elevation difference of 5' (with "G" being lower). The divers say that (although the connection has sustained substantial damage) "B" & "G" are still connected at the upper pin connections. I attempted to portray this in a cad drawing... however the dimensions they've provided to me thus far, make it impossible for the two to be connected... I'll work on it some more tomorrow.
- Needless to say, Pontoon "H" was found to have shifted... with "G" falling away, the blocks on "E" & "F" are the only things holding the unit up. Divers are exercising extreme caution in this area.
- Divers examined the West side (or "river" side) of Pontoon "E"... no indications of a "blow-out" were indicated. The mud line in this area is approximately 48'-49' below the surface, and the main deck of Pontoon "E" is at approximately 38'... (this means that only the upper half of the pontoon could be surveyed).
- Propane tank racks have yet to be located.
- Diving operations stop at 5:00 PM... (survey will continue with Section "E" & pontoon perimeter "outboard of the wing wall" areas tomorrow).

#### Thursday 8/27/09:

- Diving operations begin at 7:00 AM.
- Ramps are removed from the rented spud barge (the "Peppy").
- Forklift is discovered on Pontoon "G".
- Emergency generator & fuel tank are removed from Section "G" wing wall using the Pelican.
- With diver rigging assistance, the submerged cherry-picker, manlift & forklift are retrieved from the Dry-Dock basin using the Pelican.
- While rigging up on the cherry-picker, divers report that one of the outriggers appeared to be partially pinned underneath Pontoon "H"... (also that some of the rig blocks in that area had fallen over). This is an indication that some (or possibly all) of Pontoon "H" was afloat for a brief period, and moved on (or over) the blocks as the B-Side of the dock went under. Mooring lines still attached to the B-Side wing wall likely prevented further movement of the pontoon from the blocks, or possibly out of the Dry-Dock basin itself.
- Diving operations stop at 5:00 PM... (survey will continue with main pin connections, B-Side main deck & Section "E" tomorrow).
- Propane tank racks have yet to be located.
- Recovered equipment is transported (via the Pelican) to the SITX North Yard.
- The Pelican is moored at the SITX North Yard for the night.

#### Wednesday 8/26/09:

- After initial set up, diving operations begin at 10:00 AM.
- Diving was temporarily suspended due to thunderstorms.
- The Pelican arrived at the SITX Dock Yard, but due to thunderstorm delays... it was taken to the SITX North Yard & moored.
- Divers search for (and attach buoys to) the submerged pieces of diesel equipment... (the forklift & propane tank racks have not yet been located).

MSI 000330

- While searching for the equipment, the divers identify a 2' to 3' elevation deviation between the Pontoon "C" & Pontoon "D" main decks... (with "D" being the higher of the two).
- Equipment identification continues through 8:00 PM or until all pieces have been located & tagged.
- If we are unable to locate the forklift tonight... we will suspend the search to go ahead and retrieve the cherry-picker, manlift & propane tank racks in the morning. These items will be taken to the SITX North Yard.
- Divers discovered a separation between the Pontoon "B" & Pontoon "C" main decks... (the separation increases as you walk from the wing wall towards the center of the dock, approx 30' from the wing wall a man can no longer touch both "B" & "C". Mud covers approximately half of the inboard end of the Pontoon "B" main deck. Along with the separation, there is also an elevation deviation between the Pontoon "B" & Pontoon "C" main decks... (with "C" being the higher of the two)... the extent of which is yet to be determined.
- Diving operations stop at 8:00 PM.

Regards,

Paul W. Consavage II  
SITX Program Management  
SITX Dockmaster  
Signal International Texas, LLC  
2500 MLK Drive  
Port Arthur, TX 77640  
Office: (409) 291-5465  
Fax: (409) 980-5484  
Cell: (409) 460-1008  
[pconsavage@signalint.com](mailto:pconsavage@signalint.com)  
[www.signalinternational.com](http://www.signalinternational.com)

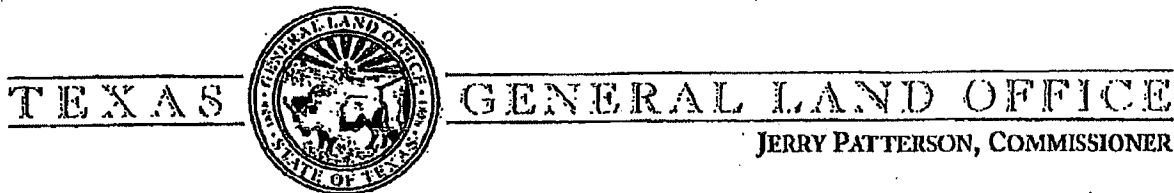
MSI 000331



**ENCLOSURE THREE**

**GENERAL LAND OFFICE  
DOCK LETTER REMOVAL  
DEMAND LETTER**

MSI 000332



September 2, 2009

Signal International Texas, LP  
P. O. Box 2370  
Orange, Texas 77631-2370

Attn: Mr. Rodney W. Meisetschlaeger, Senior VP & General Manager

Dear Mr. Meisetschlaeger:

The General Land Office (GLO) is investigating the recent sinking of the Signal International Texas dry dock on or about 20 August 2009 adjacent to the Signal International Texas facility at 2500 Martin Luther King Drive, in Port Arthur, Jefferson County, Texas. We appreciate your notification of our Region 1 Nederland Response Office, and any actions taken to minimize pollution impacts to waters of the state. The purpose of this letter is to inform you of the possible consequences of failing to recover the structure from Texas coastal waters. The Oil Spill Prevention and Response Act of 1991 (OSPRA), Texas Natural Resources Code, Chap. 40, gives the GLO authority to address abandoned vessels and structures in several ways.

OSPRA prohibits the abandonment of a vessel or structure in Texas coastal waters if the vessel or structure is in a wrecked, derelict, or substantially dismantled condition.

Texas Natural Resources Code, Chap. 40, §40.108. Derelict Vessels and Structures

*(a) A person may not, without the consent of the commissioner, leave, abandon, or maintain any structure or vessel in or on coastal waters, on public or private lands or at a public or private port or dock if the structure or vessel is in a wrecked, derelict, or substantially dismantled condition and the commissioner finds the structure or vessel to be:*

- (1) involved in an actual or threatened unauthorized discharge of oil;*
- (2) a threat to public health, safety, or welfare;*
- (3) a threat to the environment; or*
- (4) a navigation hazard.*

The GLO has determined that the Signal dry dock has sunken and should it not be raised and restored to its intended purpose, could be a threat to public health, safety or welfare and a threat to the environment.

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701 1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

MSI 000333

Mr. Meisetschlaeger  
2 September 2009  
Page two

The Land Commissioner has not given you consent, nor will he give you consent, to leave or abandon the structure at its current location.

If the GLO formally determines the structure has been abandoned and needs to be disposed of, state funds may be expended to remove the structure from Texas coastal waters and dispose of it. The GLO has the authority to seek reimbursement for the costs of removal and disposal from you, as the person responsible for abandoning the structure. If the state must initiate legal action against you to obtain reimbursement for the costs associated with removal and disposal of the structure, you may also be assessed court costs and attorney fees. Additionally, OSPRA §40.251(c) gives the GLO authority to assess a penalty of between \$100 and \$10,000 per day against the owner of a vessel or structure that has been abandoned in Texas coastal waters.

If you fail to remove the structure from coastal waters and it is formally declared abandoned, you may also be charged with a Class A misdemeanor under OSPRA §40.251(a). Conviction of a Class A misdemeanor is punishable by a fine not to exceed \$4,000, a prison term not to exceed one year, or both a fine and imprisonment.

Finally, if you do not remove the structure and it is the source of an unauthorized discharge of a harmful quantity oil into Texas coastal waters, OSPRA §40.251(c) requires the GLO to assess a penalty against the responsible person of between \$250 and \$25,000. A "harmful quantity" of oil is defined as any amount of oil that causes a sheen upon or discoloration of the surface of the water. If an unauthorized discharge of oil originates from the Signal International dry dock, your refusal to remove the structure from Texas coastal waters will be a major factor in determining the appropriate penalty to assess against you.

I encourage you to take responsibility for this structure and initiate immediate action to recover the Signal International dry dock from Texas coastal waters. Please contact me at your earliest convenience to inform me of your plans to raise or recover the structure. You can contact me by phone at (512) 475-1464.

Sincerely yours,



William D. "Bill" Grimes  
Abandoned Vessel Removal Program Manager  
Oil Spill Prevention and Response Division

MSI 000334



 **YORK**

## **ENCLOSURE FOUR**

### **RENTAL EQUIPMENT DATA**

**MSI 000335**

2009/09/01 10:43:58

2 /4

0-0

**Signal International, LLC****A Marine & Fabrication Company****Billing Address:**

SIGNAL INTERNATIONAL, LLC  
P.O. BOX 2370  
ORANGE, TX 77630-2370

**PURCHASE ORDER**

P.O.# T54788

Page 1 of 3

**VENDOR**

Vendor #: 961382  
RESOLVE MARINE SERVICES, INC.  
1850 SE 17th STREET #204  
FORT LAUDERDALE, FL 33316

**SHIP TO**

Signal Int, LLC - Dock  
2500 M.L.K. BLVD.  
PORT ARTHUR, TX 77640

**CHANGE ORDER**

Confirm Name: PETER  
Confirm Date: 26-Aug-2009  
Telephone#:  
Fax #:

Terms: NET 30 DAYS  
FOB #: DESTINATION  
Ship VIA:

Buyer: Terri Laughlin, Buyer  
409-291-8628 fax: 409-981-5674  
PO Description: DIVE SURVEY/DOCK YARD  
Order Date: 1-Sep-2009

Line#	Qty	Part #	Project	UoM	Unit Price	Extended Price	Delivery Date	REQ#
1	20000.000	#	04281-180-100	DO	1.000	\$20,000.00	7-Sep-2009	ADX-1547

SERVICE-DIVE SURVEY OF THE SIGNAL DRY DOCK VESSEL

Attn: PAUL CONSAVAGE

**\*\*NOTE: CONTRACTOR SHALL CONDUCT THE DIVE SURVEY SERVICE ON A T&M BASIS WITH AN ESTIMATED NOT TO EXCEED VALUE. CONTRACTOR SHALL PROVIDE OWNER WITH A DETAILED WRITTEN REPORT OF RESULTS OF THE DIVE SURVEY ON OR BEFORE SEPTEMBER 7, 2009.**

**NOT TO EXCEED VALUE SHALL INCLUDE CONTRACTOR COST AS IDENTIFIED BY CONTRACTOR QUOTE DATED AUGUST 22, 2009 HERETO ATTACHED AS EXHIBIT "A".**

**TERMS AND CONDITIONS ARE GOVERNED BY A MUTUALLY AGREED TO MARINE SERVICE AGREEMENT BETWEEN OWNER AND CONTRACTOR DATED AUGUST 26, 2009.**

**CONTRACTOR SHALL NOT CONDUCT ANY PUBLIC RELEASE OF INFORMATION/DETAILS OF THE DIVE SURVEY FINDINGS TO ANY PARTY OR PARTIES OTHER THAN OWNER.**

**\*\*PERIOD OF PERFORMANCE: AUGUST 26, 2009 TO AUGUST 31, 2009 PAY TERMS: NET 10 AFTER RECEIPT AND APPROVAL OF INVOICE.**

**CONTACT INFO: RESOLVE MARINE GROUP  
1850 SE. 17TH STREET SUITE 204  
FORT LAUDERDALE, FL. 33316 PHONE# 954-764-8700  
FAX# 954-764-8724 POC: PETER ROBINSON**

**>>> ALL SIGNED DELIVERY DOCUMENTATION MUST BE PROVIDED TO SIGNAL PRIOR TO SUBMITTAL OF INVOICE(S) FOR PAYMENT:  
ATT: SIGNAL PURCHASING or RECEIVING DEPT.**

**>>> ALL SIGNED DELIVERY DOCUMENTATION MUST BE PROVIDED TO SIGNAL PRIOR TO SUBMITTAL OF INVOICE(S) FOR PAYMENT:  
ATT: SIGNAL PURCHASING or RECEIVING DEPT.**

**\* This is a "CONFIRMING" order. Please do not duplicate!!!  
DUPLICATES WILL BE RETURNED AT VENDOR EXPENSE.**

**\* All invoices/documents must reference the Purchase Order number in order to be paid & addressed to "ACCOUNTS PAYABLE"**

MSI 000336

2009/09/01 10:43:58

4 /4

0.0

**Signal International, LLC****A Marine & Fabrication Company**

P.O.# T54788

Page 3 of 3

**Billing Address:**

SIGNAL INTERNATIONAL, LLC  
P.O. BOX 2370  
ORANGE, TX 77630-2370

**PURCHASE ORDER****VENDOR**

Vendor #: 961382  
RESOLVEMARINE SERVICES, INC.  
1850 SE 17th STREET #204  
FORT LAUDERDALE, FL 33316

**SHIP TO**

Signal Int, LLC - Dock  
2500 M.L.K. BLVD.  
PORT ARTHUR, TX 77640

**CHANGE ORDER**

Confirm Name: PETER  
Confirm Date: 26-Aug-2009  
Telephone#:  
Fax #:

Terms: NET 30 DAYS  
FOB #: DESTINATION  
Ship VIA:

Buyer: Terri Laughlin, Buyer  
409-291-8628 fax: 409-981-5674  
PO Description: DIVISION SURVEY/DOCK YARD  
Order Date: 1-Sep-2009

Line#	Qty	Part #	Project	UoM	Unit Price	Extended Price	Delivery Date	REQ#
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\*\* Receiving hours for SIGNAL INT'L TEXAS Material control:

Orange, North & South locations;

> Mon - Fri 6:00am to 2:30pm (Break 9-9:15am, lunch  
11:30-12:00pm)

Contact Tim Keltz or Mike Ballard for alternate arrangements  
if required (tel: 409-882-9311)

SIGNAL Dock Yard (Pleasure Island) location;

> Mon - Fri 6:00am to 4:00pm (Break 9-9:15am, lunch  
11:30-12:00pm)  
(tel: 409-983-3353)

PQ Total Costs:

\$29,361.82

Authorized By:

Terri Laughlin

MSI 000337

2009/09/01 10:43:58

3 /4

0.0

**Signal International, LLC****A Marine & Fabrication Company****Billing Address:**

SIGNAL INTERNATIONAL, LLC  
P.O. BOX 2370  
ORANGE, TX 77630-2370

**PURCHASE ORDER**

P.O.# T54786

Page 2 of 3

**VENDOR**

Vendor #: 961382  
RESOLVE MARINE SERVICES, INC.  
1850 SE 17th STREET #204  
FORT LAUDERDALE, FL 33316

**SHIP TO**

Signal Int, LLC - Dock  
2500 M.L.K. BLVD.  
PORT ARTHUR, TX 77640

**CHANGE ORDER**

Confirm Name: PETER  
Confirm Date: 26-Aug-2009  
Telephone #:  
Fax #:

Terms: NET 30 DAYS  
FOB #: DESTINATION  
Ship VIA:

Buyer: Terri Laughlin, Buyer  
409-291-8628 fax: 409-981-5674  
PO Description: DIVE SURVEY/DOCK YARD  
Order Date: 1-Sep-2009

Line#	Qty	Part #	Project	UoM	Unit Price	Extended Price	Delivery Date	REQ#
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\* Signed acknowledgement receipt of this Order is requested  
by return fax/mail/e-mail.

SIG. Wendell Harkey DATE: Sept 01, 2009

Print name: WARRAS Imam

TITLE: COO

>SIGNED PURCHASE ORDER RETURN REQUIRED FOR PAYMENT RELEASE<

2	1.000 #	04281-180-100	DO	9,381.820	\$9,381.82	1-Sep-2009	ADX-1551
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APPEND TO PO #T54786 INCREASE PO FUNDING DUE TO ADDITIONAL COST  
INCURRED BY VENDOR

Attn: LEWIS HARKEY

\*\*NOTE INCREASE DUE TO COST OF AIRLINE TICKETS, HOTEL, CAR  
RENTAL, FUEL FOR CAR RENTAL AND CONSUMABLES.

\* SIGNAL INTERNATIONAL, LLC, FORM STD-1002 (rev. 05/09) T & C's  
is hereby made a part of this Purchase Order.

>>> ALL SIGNED DELIVERY DOCUMENTATION MUST BE PROVIDED TO  
SIGNAL PRIOR TO SUBMITTAL OF INVOICE(S) FOR PAYMENT:  
ATT: SIGNAL PURCHASING or RECEIVING DEPT.

\* This is a "CONFIRMING" order. Please do not duplicate!!!  
DUPLICATES WILL BE RETURNED AT VENDOR EXPENSE.

\* All invoices/documents must reference the Purchase Order  
number in order to be paid & addressed to "ACCOUNTS PAYABLE"

\* Signed acknowledgement receipt of this Order is requested  
by return fax/mail/e-mail.

SIG. \_\_\_\_\_ DATE: \_\_\_\_\_

Print name: \_\_\_\_\_

TITLE: \_\_\_\_\_

>SIGNED PURCHASE ORDER RETURN REQUIRED FOR PAYMENT RELEASE<

MSI 000338

**Signal International, LLC***A Marine & Fabrication Company***Billing Address:**

SIGNAL INTERNATIONAL, LLC  
P.O. BOX 2370  
ORANGE, TX 77630-2370

**PURCHASE ORDER**

P.O.# T54380

Page 1 of 3

**VENDOR**

Vendor #: 955509  
SUNBELT RENTALS  
ATTN: ACCOUNTS RECEIVABLE  
P. O. BOX 409211  
ATLANTA, GA 30384-9211

Confirm Name: SONNY  
Confirm Date: 18-Aug-2009  
Telephone#: 615-232-8680  
Fax #:

**CHANGE ORDER**

Terms: NET 30 DAYS  
FOB #: PPA  
Ship VIA: Vendor Truck

**SHIP TO**

Signal Int, LLC - Dock  
2500 M.L.K. BLVD.  
PORT ARTHUR, TX 77640

Buyer: Maryann Marshall, Buyer  
409-291-8626 fax: 409-981-5675  
PO Description: TRANSFER RENTAL FORKLIFT 12K-L  
Order Date: 18-Aug-2009

Line#	Qty	Part #	Project	UoM	Unit Price	Extended Price	Delivery Date	REQ#
1	2490.000	#	04854-001-001	DO	1.000	\$2,490.00	29-Jul-2009	KMX-1802

RENTAL, TRANSFER, FORKLIFT JLG 12K S/N 0160016380

Attn: WALLS, ROB

TRANSFER FORKLIFT FROM T231L TO 04854-001-001  
PER KYLE COOPER  
JLG 12K EXT FORKLIFT S/N 0160016380 REPLACED ORIGINAL SN#  
0160027370  
\$1245/WEEK \$3750/MONTH \$400/DAY  
REPLACEMENT COST \$127500.00  
TRANSFER PERIOD 7/27/09-8/07/09  
CURRENT PURCHASE ORDER T53839 RWX-1860

THIS IS TO TRANSFER FOR TWO WEEKS TO OVERHEAD "MACHINE  
ALREADY ON SITE DO NOT DUPLICATE"



8/24/09 - THIS PIECE OF EQUIPMENT WAS ON THE DOCK AND WENT  
UNDER WATER. MM

\*\*\*\*\*  
THIS IS A "CONFIRMING ORDER". IT HAS BEEN GIVEN VERBALLY,  
VIA FAX OR EMAIL.

PLEASE DO NOT DUPLICATE. DUPLICATES WILL BE RETURNED AT  
VENDOR EXPENSE.  
SIGNAL INTERNATIONAL, LLC. FORM STD-1002 T & C'S IS HEREBY  
MADE PART OF THIS PURCHASE ORDER  
ALL INVOICES / DOCUMENTS MUST REFERENCE THE PURCHASE ORDER  
NUMBER IN ORDER TO BE PAID & ADDRESSED TO "ACCOUNTS  
PAYABLE".  
ALL SIGNED DELIVERY DOCUMENTATION MUST BE PROVIDED TO SIGNAL  
PRIOR TO SUBMITTAL OF INVOICE(S) FOR PAYMENT: ATT: SIGNAL  
PURCHASING OR RECEIVING DEPARTMENT.  
RECEIVING HOURS FOR SIGNAL TEXAS LOCATIONS: ORANGE, NORTH,  
& SOUTH YARD - 6:00 A.M. TO 2:30 PM, EXCEPTION 9:00 A.M. -  
9:15 A.M BREAK; 11:30 A.M. - 12:00 NOON LUNCH; DOCK YARD -  
6:00 A.M. TO 4:00 P.M., EXCEPTION 11:30 A.M. - 12:00 NOON  
LUNCH. AFTER HOUR DELIVERIES REQUIRE PRIOR APPROVAL. OTHER  
ARRANGEMENTS IF NECESSARY CAN BE MADE BY CONTACTING TIM

MSI 000339

**Signal International, LLC****A Marine & Fabrication Company**

P.O.# T54380

Page 2 of 3

**Billing Address:**

SIGNAL INTERNATIONAL, LLC  
P.O. BOX 2370  
ORANGE, TX 77630-2370

**PURCHASE ORDER****VENDOR**

Vendor #: 955509  
SUNBELT RENTALS  
ATTN: ACCOUNTS RECEIVABLE  
P.O. BOX 409211  
ATLANTA, GA 30384-9211

Confirm Name: SONNY  
Confirm Date: 18-Aug-2009  
Telephone#: 615-232-8680  
Fax #:

**CHANGE ORDER**

Terms: NET 30 DAYS  
FOB #: PPA  
Ship VIA: Vendor Truck

**SHIP TO**

Signal Int, LLC - Dock  
2500 M.L.K. BLVD.  
PORT ARTHUR, TX 77640

Buyer: Maryann Marshall, Buyer  
409-291-8626 fax: 409-981-5675  
PO Description: TRANSFER RENTAL FORKLIFT 12K-L  
Order Date: 18-Aug-2009

Line#	Qty	Part #	Project	UoM	Unit Price	Extended Price	Delivery Date	REQ#
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KELTZ, SHIPPING & RECEIVING MANAGER, 409-291-5322 OR DOCK  
YARD RECEIVING DEPARTMENT 409-291-8957.

SUPPLIER IS REQUIRED TO SUBMIT COPY OF ORIGINAL FREIGHT BILL  
OR UPS PICKUP RECORD WITH INVOICES WHEN BILLING FOR FREIGHT  
CHARGES.

\* SIGNED ACKNOWLEDGEMENT RECEIPT OF THIS ORDER IS REQUEST BY  
RETURN FAX/MAIL/E-MAL.

SIG. \_\_\_\_\_ DATE: \_\_\_\_\_

Print name: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNED PURCHASE ORDER RETURN REQUIRED FOR PAYMENT RELEASE

OFF RENT DISCLAIMER: OFF RENTED EQUIPMENT MUST BE PICKED UP  
NO LATER THAN TWO (2) BUSINESS DAYS FROM DATE OF OFF-RENT  
NOTICE. ADDITIONALLY, VENDOR SHALL BE CHARGED REASONABLE  
STORAGE FEES FOR ANY EQUIPMENT LEFT ON SIGNAL'S PROPERTY IF  
NO ARRANGEMENTS ARE MADE WITHIN FIVE (5) DAYS OF THE  
OFF-RENT NOTICE.

FINAL BILLING DISCLAIMER: ALL RENTAL EQUIPMENT INVOICES  
MUST BE RECEIVED NO LATER THAN TEN (10) BUSINESS DAYS FROM  
DATE OF OFF RENT NOTICE. THIS INCLUDES BUT IS NOT LIMITED  
TO ANY REMAINING RENTAL CHARGES, TRANSPORTATION CHARGES,  
INSURANCE WAIVER CHARGES, SERVICE AND ENVIRONMENTAL CHARGES,  
OVERUSE CHARGES, CHARGES FOR LOST OR MISSING ITEMS, AND  
CHARGES FOR DAMAGED ITEMS.

REPAIR / SERVICE DISCLAIMER: PURCHASING APPROVAL REQUIRED  
PRIOR TO COMMENCEMENT OF REPAIR OR SERVICE AFTER RECEIPT OF  
VENDOR REPAIR / SERVICE QUOTE.

SWAP OUT: ALL RENTAL EQUIPMENT IN SIGNAL'S POSSESSION  
REQUIRES CORRECT SERIAL NUMBER AND REPLACEMENT COST TO BE  
COVERED BY INSURANCE IN CASE OF LOSS OR DAMAGE. PLEASE  
NOTIFY SIGNAL'S PURCHASING DEPARTMENT IN WRITING THE NEW  
EQUIPMENT NUMBERS AND NEW REPLACEMENT COST PRIOR TO OR  
IMMEDIATELY AFTER ANY EXCHANGE.

MSI 000340

**Signal International, LLC***A Marine & Fabrication Company***Billing Address:**

SIGNAL INTERNATIONAL, LLC  
P.O. BOX 2370  
ORANGE, TX 77630-2370

**PURCHASE ORDER****P.O.# T54380****Page 3 of 3****VENDOR**

Vendor #: 955509  
SUNBELT RENTALS  
ATTN: ACCOUNTS RECEIVABLE  
P. O. BOX 409211  
ATLANTA, GA 30384-9211

Confirm Name: SONNY  
Confirm Date: 18-Aug-2009  
Telephone#: 615-232-8680  
Fax #:

**CHANGE ORDER**

Terms: NET 30 DAYS  
FOB #: PPA  
Ship VIA: Vendor Truck

**SHIP TO**

Signal Int, LLC - Dock  
2500 M.L.K. BLVD.  
PORT ARTHUR, TX 77640

Buyer: Maryann Marshall, Buyer  
409-291-8626 fax: 409-981-5675  
PO Description: TRANSFER RENTAL FORKLIFT 12K-I  
Order Date: 18-Aug-2009

Line#	Qty	Part #	Project	UoM	Unit Price	Extended Price	Delivery Date	REQ#
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2	3750.000	#	04854-001-001	DO	1.000	\$3,750.00	18-Aug-2009	LWX-4339
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RENTAL, APPEND, FORKLIFT JLG 12K S/N 0160016380

Attn: KYLE

EXTEND RENTAL 1 MONTH  
8/7/09-9/7/09

PO Total Costs:

\$6,240.00

Authorized By:

*M Marshall*

Maryann Marshall

MSI 000341

Aug. 24. 2009 4:29PM

No. 6853 P. 2

**Signal International, LLC****A Marine & Fabrication Company**

P.O.# T54380

Page 2 of 3

**Billing Address:**

SIGNAL INTERNATIONAL, LLC  
P.O. BOX 2370  
ORANGE, TX 77630-2370

**PURCHASE ORDER****VENDOR**

Vendor #: 955509  
SHIBELT RENTALS  
ATTN: ACCOUNTS RECEIVABLE  
P. O. BOX 409211  
ATLANTA, GA 30384-0211

Customer Name: SONNY  
Confirm Date: 18-Aug-2009  
Telephone #: 615-232-8680  
Fax #:

**CHANGE ORDER**

Terms: NET 30 DAYS  
FOB #: PPA  
Ship VIA: Vendor Truck

**SHIP TO**

Signal Int, LLC - Dock  
2500 M.L.K. BLVD.  
PORT ARTHUR, TX 77640

Buyer: Maryann Marshall, Buyer  
409-291-8626 Fax: 409-981-5675  
PO Description: TRANSMARK RENTAL FORKLIFT 12K-17  
Order Date: 18-Aug-2009

Line#	Qty	Part #	Project	UoM	Unit Price	Extended Price	Delivery Date	REQ#
-------	-----	--------	---------	-----	------------	----------------	---------------	------

KR. TX, SHIPPING & RECEIVING MANAGER, 409-291-5322 OR 130CK  
YARD RECEIVING DEPARTMENT 409-291-8957.  
SUPPLIER IS REQUIRED TO SUBMIT COPY OF ORIGINAL FREIGHT BILL  
OR UPS PICKUP RECORD WITH INVOICES WHEN BILLING FOR FREIGHT  
CHARGES.  
\* SIGNED ACKNOWLEDGEMENT RECEIPT OF THIS ORDER IS REQUIRED BY  
RETURN FAX/MAIL/E-MAIL.

SIG. Sonny Chapman DATE: 8-24-09

Print name: Sonny Chapman

TITLE: QSR

SIGNED PURCHASE ORDER RETURN REQUIRED FOR PAYMENT RELEASE

OFF RENT DISCLAIMER: OFF RENTED EQUIPMENT MUST BE PICKED UP  
NO LATER THAN TWO (2) BUSINESS DAYS FROM DATE OF OFF-RENT  
NOTICE. ADDITIONALLY, VENDOR SHALL BE CHARGED REASONABLE  
STORAGE FEES FOR ANY EQUIPMENT LEFT ON SIGNAL'S PROPERTY IF  
NO ARRANGEMENTS ARE MADE WITHIN FIVE (5) DAYS OF THE  
OFF-RENT NOTICE.

FINAL BILLING DISCLAIMER: ALL RENTAL EQUIPMENT INVOICES  
MUST BE RECEIVED NO LATER THAN TEN (10) BUSINESS DAYS FROM  
DATE OF OFF RENT NOTICE. THIS INCLUDES BUT IS NOT LIMITED  
TO ANY REMAINING RENTAL CHARGES, TRANSPORTATION CHARGES,  
INSURANCE WAIVER CHARGES, SERVICE AND ENVIRONMENTAL CHARGES,  
OVERUSE CHARGES, CHARGES FOR LOST OR MISSING ITEMS, AND  
CHARGES FOR DAMAGED ITEMS.

REPAIR / SERVICE DISCLAIMER: PURCHASING APPROVAL REQUIRED  
PRIOR TO COMMENCEMENT OF REPAIR OR SERVICE AFTER RECEIPT OF  
VENDOR REPAIR / SERVICE QUOTE.

SWAP OUT: ALL RENTAL EQUIPMENT IN SIGNAL'S POSSESSION  
REQUIRES CORRECT SERIAL NUMBER AND REPLACEMENT COST TO BE  
COVERED BY INSURANCE IN CASE OF LOSS OR DAMAGE. PLEASE  
NOTIFY SIGNAL'S PURCHASING DEPARTMENT IN WRITING THE NEW  
EQUIPMENT NUMBERS AND NEW REPLACEMENT COST PRIOR TO OR  
IMMEDIATELY AFTER ANY EXCHANGE.

MSI 000342





Page 1 of 1

PC#: 232  
9991 HIGHWAY 69  
PORT ARTHUR, TX 77640  
409-724-7388

**SUNBELT RENTALS, INC.**

Salesman: 23205 CHAPMAN, EARL (232)  
Typed By: JCONTRERAS

**Job Site:**

SIGNAL INTERNATIONAL TEXAS, LP  
PLEASURE ISLAND DRYDOCK  
PORT ARTHUR, TX 77640

C#: 409-291-5028 J#: 409-983-2001

Customer: 3538421

SIGNAL INTERNATIONAL TEXAS, LP  
PO BOX 2367  
PORT ARTHUR, TX 77643

**RENTAL OUT**

Contract #.. 21602468  
Contract dt. 7/30/09  
Date out.... 7/30/09 7:00 AM  
Est return.. 8/27/09 7:00 AM  
Job Loc..... PLEASURE ISLAND DRYDOCK, PORT AR  
Job No..... 6 - SIGNAL INTERNATI  
P.O. #..... T54380  
Ordered By.. MARY, ANN  
NET DUE UPON RECEIPT

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
1.00	12,000LB 55'SHOOTING BOOM FORKLIFT RR0560630 Equipment #: JLT-06326 Make: JLG Model: G12-55A Serial #: 0160016380 Meter: 2915.000	400.00	400.00	1245.00	3750.00	3750.00
<b>SALES ITEMS:</b>						
Qty	Item number	Unit	Price			
1	ENVIRONMENTAL	EA	46.870			46.87
1	ENVIRONMENTAL					
1	RENTAL PROTECTION PLAN	EA				525.00
Sub-total:						4321.87
Tax:						356.56
Total:						4678.43

Rate your rental experience [www.sunbeltrentals.com/survey](http://www.sunbeltrentals.com/survey)

IF THE EQUIPMENT DOES NOT WORK  
PROPERLY, NOTIFY THE OFFICE AT ONCE

MULTIPLE SHIFTS OR  
OVERTIME RATES MAY APPLY

CUSTOMER IS RESPONSIBLE FOR  
REFUELING, DAMAGES AND REPAIRS

1. The total charges in this Contract is an estimate based on the estimated rental period provided by Customer.  
2. Customer assumes all risks associated with the Equipment during the Rental Period, including injury and damage to persons, property and the equipment.  
3. Customer is responsible for and shall only permit properly trained, authorized individuals, who are not under the influence of drugs or alcohol, to use the Equipment.  
4. If the Equipment does not operate properly, the Equipment is not suitable for customer's intended use, the Equipment did not come with operating and safety instructions or customer has any questions regarding use of the Equipment, do not operate the Equipment and contact Sunbelt immediately.  
5. Abuse of the Equipment or using damaged or malfunctioning Equipment may result in serious bodily injury or death.  
6. Customer has received, read, understands and agrees to the estimated charges herein and all the terms and conditions of this Contract, including the Release and Indemnification provision in Section B.  
7. Customer must call to request pickup of Equipment, return Pick Up/Return plans by Sunbelt and is responsible for Equipment until actually returned by Sunbelt.  
8. For operations in California: Customer is renting equipment registered under the California Air Resources Board (CARB) Portable Equipment Registration Program (PERP). The operator of this equipment is subject to the requirements of the PERP regulation and local Air Pollution Control District rules. Under the PERP Regulation, the renter is required to keep a copy of the rental agreement and CARB registration certificate, including operating conditions and emission certification requirements, with the equipment at all times. By signing this form, the renter acknowledges receipt of these documents.  
Customer is signing Rental Protection Plan \_\_\_\_\_ (Customer Initials)

CUSTOMER SIGNATURE

DATE

NAME PRINTED

DELIVERED BY

DATE

\*\* www.sunbeltrentals.com \*\*

POT-ENGL-1 (Rev 10/09/09)

MSI 000343



**INVOICE**  
**SEND ALL PAYMENTS TO:**  
**P.O. Box 409211**  
**Atlanta, GA 30384-9211**

INVOICE NO.	21935804-000
ACCOUNT NO.	3538421
INVOICE DATE	8/24/09
PAGE	1

**INVOICETO**

SIGNAL INTERNATIONAL TEXAS, LP  
 PO BOX 2367  
 PORT ARTHUR, TX 77643

**JOB ADDRESS**

SIGNAL INTERNATIONAL TEXAS, LP  
 PLEASURE ISLAND DRYDOCK  
 PORT ARTHUR, TX 77640

C#: 409-291-5028 J#: 409-963-2001

**RECEIVED BY**

MARY, ANN

**CONTRACT NO.**

21935804-000

**PURCHASE ORDER NO.****QUOTE ONLY****JOB NO.**

6 - SIGNAL INTERNATI

**BRANCH**

232 PORT ARTHUR

9991 HIGHWAY 69

PORT ARTHUR, TX 77640

409-724-7368

Qty	Item number	Unit	Price	Amount
-----	-------------	------	-------	--------

1	12,000# 55'JLG TELEHANDLER, ROPS, EA	127500.000		127500.00
	GI2-55A PKG2			
	Equipment #: JLT-06326	Year 2006		
	Make: JLG			
	Model: GI2-55A			
	Serial #: 0160016380			
	replacement cost			

**DELIVERY CHARGE**

SHIP TO: SIGNAL INTERNATIONAL TEXAS, LP  
 PLEASURE ISLAND DRYDOCK  
 PORT ARTHUR, TX 77640

\*\*reference rental contract #21602468  
 dry dock collapse causing forklift to  
 fall into 60ft of water.

Sub-total:

127500.00

Tax:

10518.75

Total:

138018.75

**COPY**

**All Your Equipment Needs...**  
**One Company.**

**NET DUE UPON RECEIPT**

**SUBTOTAL**

**TAX**

**INVOICE TOTAL**

BAITZAR (Rev 08/2007)

MSI 000344



**INVOICE**  
**SEND ALL PAYMENTS TO:**  
**P.O. Box 409211**  
**Atlanta, GA 30384-9211**

INVOICE NO.	21602468-001
ACCOUNT NO.	3538421
INVOICE DATE	8/21/09

PAGE 1

**INVOICE TO**

SIGNAL INTERNATIONAL TEXAS, LP  
 PO BOX 2367  
 PORT ARTHUR, TX 77643

**JOB ADDRESS**

SIGNAL INTERNATIONAL TEXAS, LP  
 PLEASURE ISLAND DRYDOCK  
 PORT ARTHUR, TX 77640

C#: 409-291-5028 J#: 409-963-2001

**RECEIVED BY**

MARY, ANN

**CONTRACT NO.**

21602468-001

**PURCHASE ORDER NO.**

T54380

**JOB NO.**

6 - SIGNAL INTERNATI

**BRANCH**

232 PORT ARTHUR

9991 HIGHWAY 69  
 PORT ARTHUR, TX 77640  
 409-724-7368

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
-----	-------------	-----	-----	------	--------	--------

1	12,000LB 55'SHOOTING BOOM FORKLIFT RR0560630 Equipment #: JMT-06326 Make: JLG Model: G12-55A Serial #: 0160016380 Meter: 2915.000	400.00	400.00	1245.00	3750.00	3750.00
---	---	--------	--------	---------	---------	---------

**SALES ITEMS:**

Qty	Item number	Unit	Price	Amount
1	ENVIRONMENTAL	EA	46.870	46.87
1	ENVIRONMENTAL	EA		525.00
1	RENTAL PROTECTION PLAN	EA		

BILLED FOR FOUR WEEKS 7/30/09 THRU 8/26/09.

**COPY**

**All Your Equipment Needs...  
 One Company.**

**NET DUE UPON RECEIPT**

SUBTOTAL	4321.87
TAX	356.56
INVOICE TOTAL	4678.43

CLARK (Rev 06/27/09)

MSI 000345

MSI 000346

**YORK**

## **ENCLOSURE FIVE**

## **PHOTOGRAPHS**

**MSI 000347**

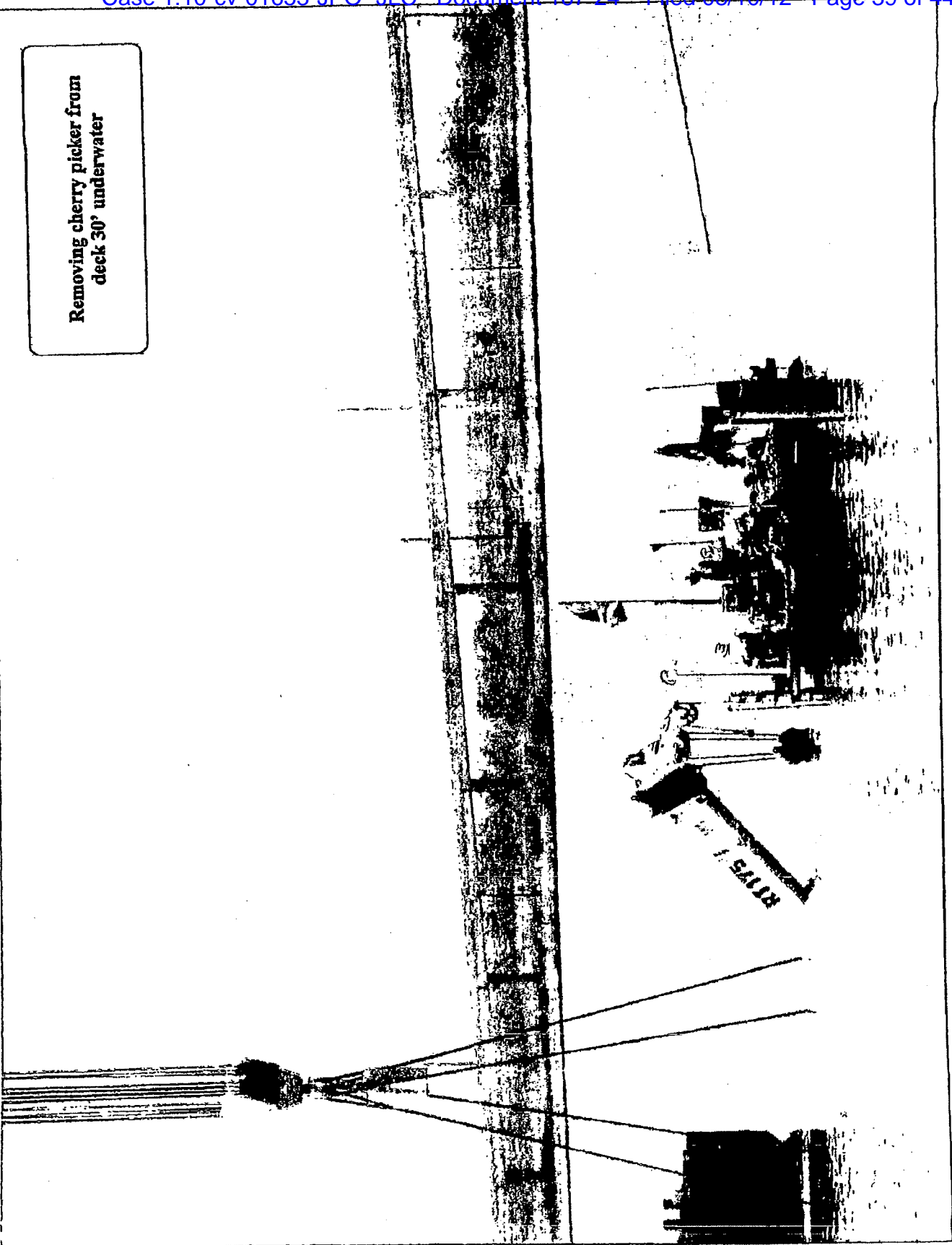
B side wing wall

41

MSI 000348

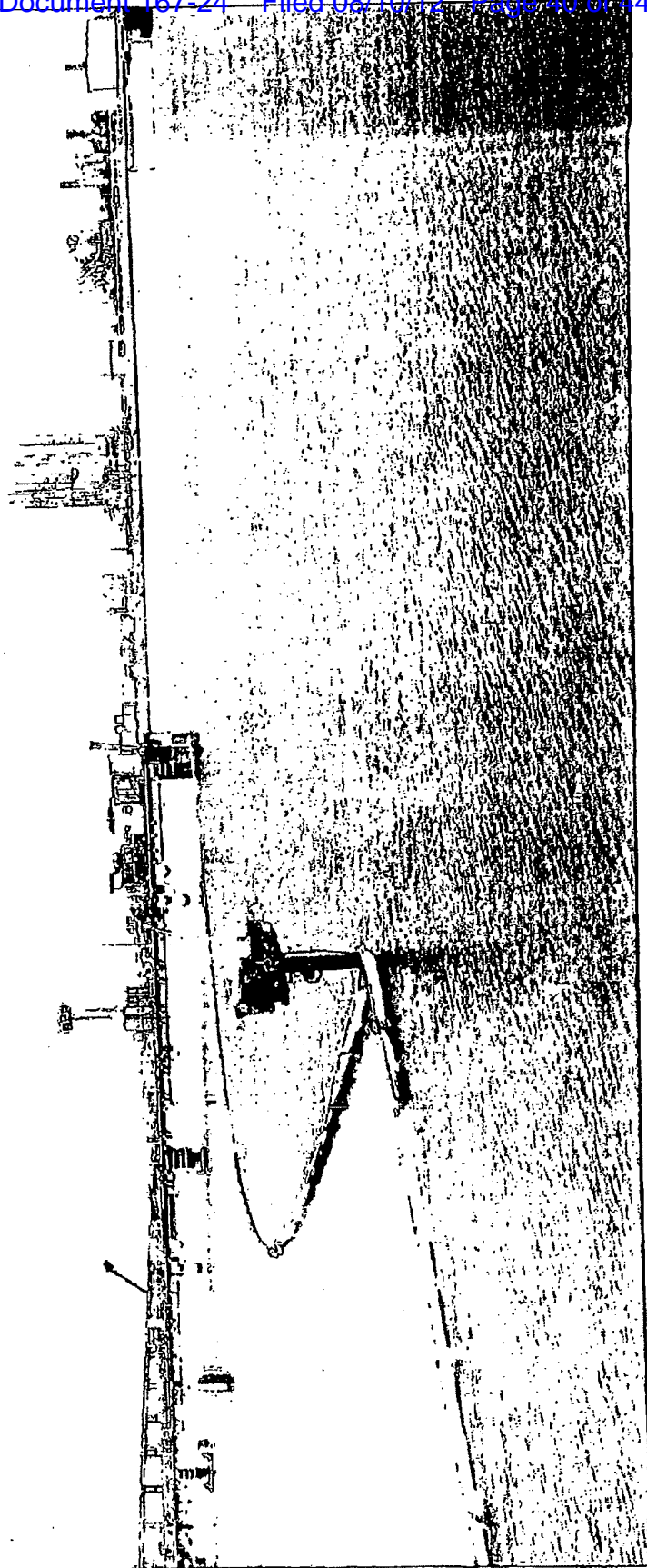


Removing cherry picker from  
deck 30' underwater



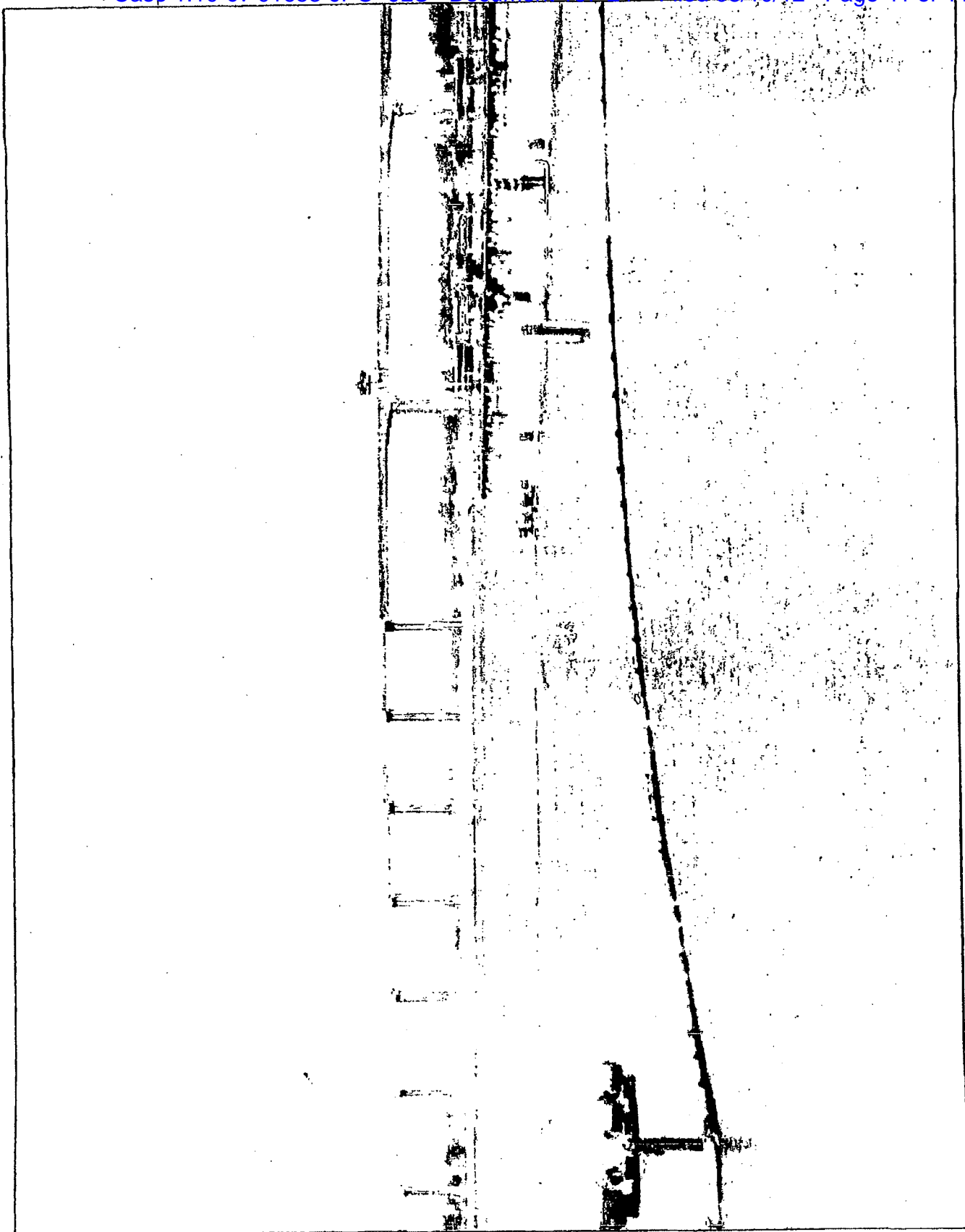
MSI 000349

Note top of deck lighting



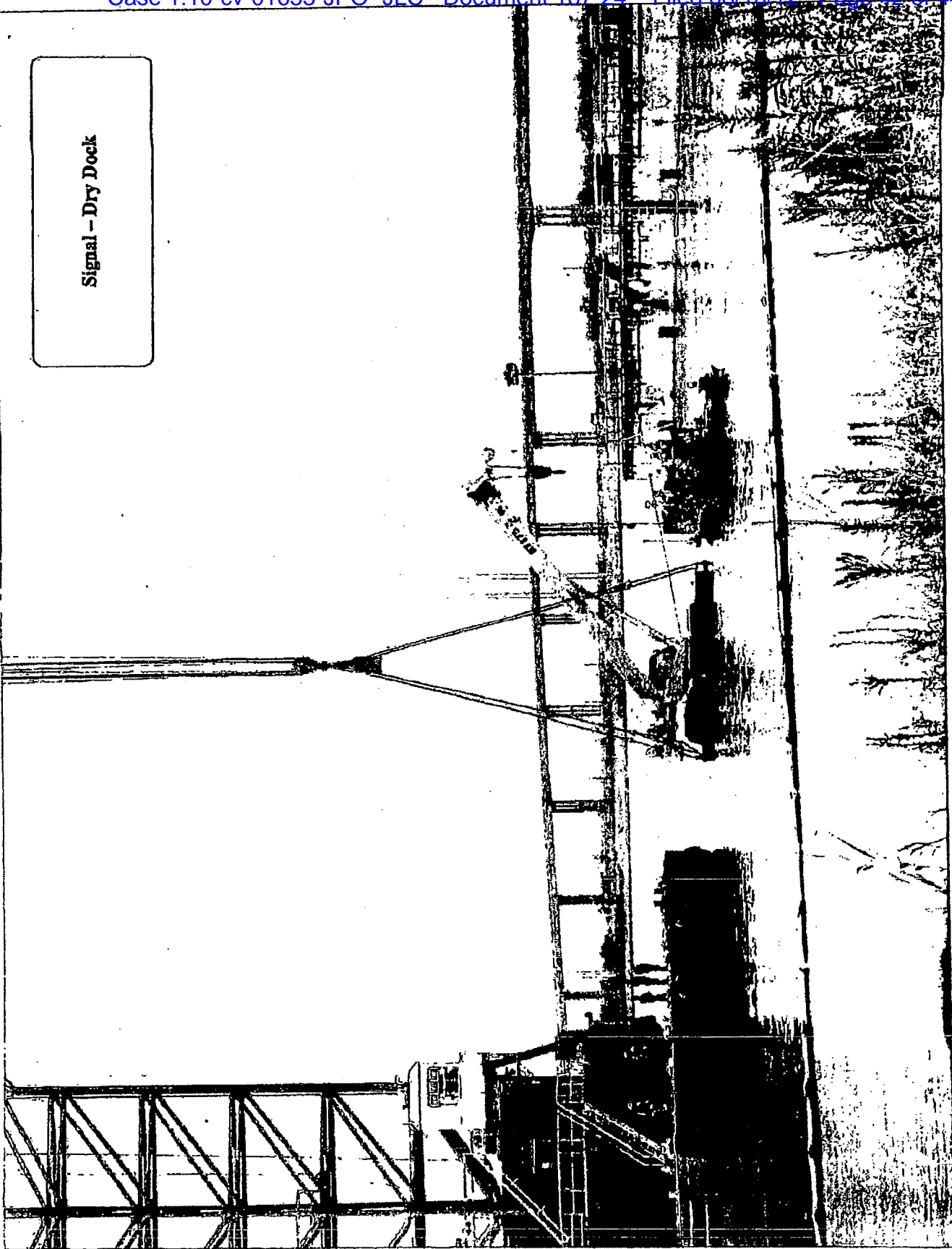
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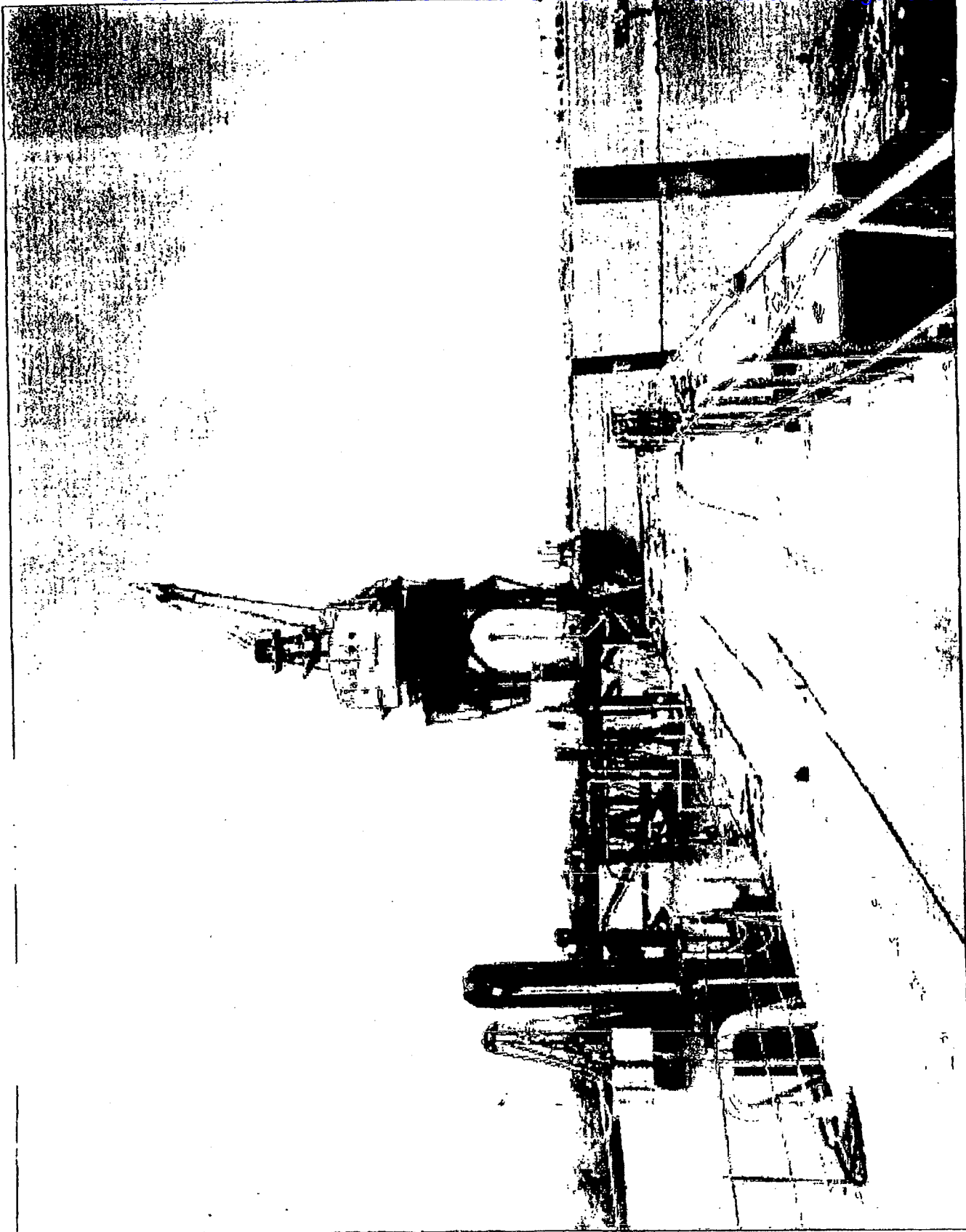


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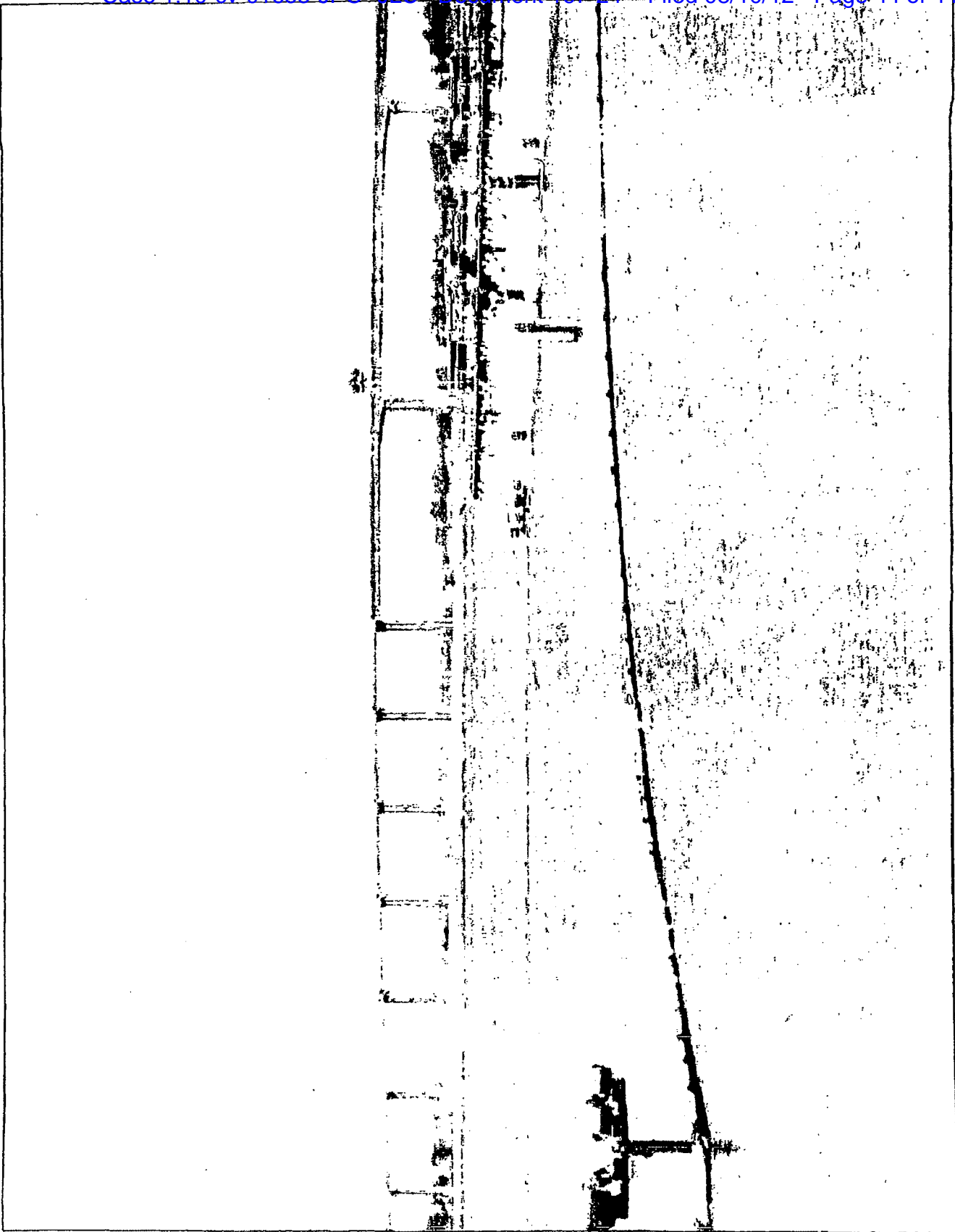
Signal - Dry Dock



MSI 000352



MSI 000353



MSI 000354